with local sugar consumption insignificant, and with no available purchasers elsewhere, the Philippines will face a glutted market. The fall of the sugar empire will be complete.

THE COCONUT[4]

It is not generally realized that the Philippines occupies the first place among the producing countries of coconut oil, and is responsible for one-third of the world's supply of coconut oil. The coconut products include copra, the dried meat of the coconut, coconut oil derived from copra, copra meal, and desiccated and shredded coconut. The oil is used in the manufacture of soaps, vegetable butter, and lard substitutes.

The Philippines is one of the most naturally favored coconut producing countries in the world. The district surrounding the municipality of San Pablo, south of Manila, is one immense grove of coconut trees, approximately 2,500 square miles in extent. Within a radius of thirty miles of this municipality are more coconuts than in any other area of the same size anywhere. It has been estimated that one out of every three persons in the Philippines is dependent on the coconut industry.

The inoffensive coconut has had to bear the brunt of the same campaign which has been aimed at Philippine sugar. The dairy interests of the United States felt that coconut derivatives were unduly competing with American products. So the free entry of coconut oil was limited by the Philippine Commonwealth and Independence Law to 200,000 long tons in any one year. As if this was not enough, a five-cent excise tax was later decreed by the Congress, which

was alleviated considerably by sanctioning a two-cent preferential for Philippine coconut oil in contrast to other oils. State legislation aimed at the Philippine coconut industry has also affected it

*** Section read by Hon. Filemon Perez, President of the Philippine Coconut Planters Association.**